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SPEECH

ON THE

CANADIAN PACIFIC RAILWAY

DELIVERED IN

THE HOUSE OF COMMONS, OTTAWA

ON

FEBRUARY 8, 1884,

BY

WILLIAM B. IVES, ESQ., M. P.

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GAZETTE PRINTING CO., MONTREAL.

SPEECH

DELIVERED IN THE HOUSE OF COMMONS, OTTAWA, ON FEB. 8, 1884.

ON THE

GOVERNMENT RESOLUTIONS

PROPOSING A LOAN OF \$22,500,000

TO THE

CANADIAN PACIFIC RAILWAY COMPANY,

BY

WILLIAM B. IVES, ESQ.

MEMBER OF PARLIAMENT FOR THE COUNTIES OF RICHMOND AND WOLFE, IN THE PROVINCE
OF QUEBEC.

MR. SPEAKER, in continuing the debate upon the important resolutions before the House, I shall endeavour to avoid, as much as possible, touching upon those points which were so ably and exhaustively treated by the hon. Minister of Railways in his speech of Tuesday last. But if, Sir, for the sake of the continuity of my argument, I should have to touch briefly upon some points to which he alluded, I trust I shall have the forbearance of the House. It will be my endeavour to lay before the House some additional reasons why the Resolutions should be adopted; and, at the same time, I shall refer to some portions of the speech of the hon. member who last addressed the House upon this important subject. Sir, the statesmen who promoted the great scheme of Confederation had in view a much more important object than the union of the four provinces originally confederated. They had in view, Sir, the foundation here on the northern half of this continent, of a great power, of a great people, a power and a

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people that at some future day might be in a position to take rank among the great powers of the earth. Confederation itself, the construction of the Intercolonial Railway, the acquisition of the North-West Territories from the Hudson Bay Company, the encouragement of immigration, the improvement of our canals and water ways, the adoption of a national trade policy and the construction of a Canadian Pacific Railway, are all steps in the same direction, and mile stones, as it were, marking the progress we have made towards the acme of our ambition. It was early seen and recognised that the resources of the four original Provinces, and the area of those Provinces, were not sufficient to justify our hope of being able to accomplish the great object of our ambition. It was early recognised that it was necessary that we should have additional territory and additional resources. Looking to the history of the unexampled success of the United States to the south of us, our statesmen could not fail to recognize the great element of prosperity which their great West had been to the nation at large, as affording a field for the development of great agricultural resources, and offering a market for the manufactures of New England. And, Sir, hardly had Confederation been consummated when our statesmen, who had charge of affairs, took up the question of acquiring a great West for Canada. Though I was not a public man at that time, I remember very well that a large number of public men did oppose, and most strenuously oppose, the acquisition of the Hudson Bay Territory; but, Sir, I venture to say that you could not find, to-day, a single man of those who opposed that measure at that time, who would be willing to stand up in this House, or in any public assembly in Canada, and acknowledge that he had opposed the purchase of the Hudson Bay Territory. Well, Sir, after acquiring the great North-West, it was soon seen that it would be comparatively useless to Canada until it was peopled; and it was at the same time discovered that it

could not be peopled without it were opened up by the construction of a Canadian Pacific Railway. In fact, I may say that it was part of the scheme adopted at the Conference at Quebec, the acquisition of the Hudson Bay Territory and the construction of a Canadian Pacific Railway. And both parties from the first have been thoroughly and firmly committed to the construction of this railway; and not only to its construction, but they have been committed to the construction of it by the same method and in the same mode. Both parties have declared it to be their preference that the railway should be constructed by a company, subsidized by Government; and both have declared, both by word and act, that in default of a company strong enough to construct the railway, the Government should continue the work to completion as a Government work. The Government of Sir John A. Macdonald, in 1878, entered into an arrangement with Sir Hugh Allan and his associates for the construction of this railway. Sir Hugh made an effort to raise the necessary capital; but, as every one knows, he failed. He was met by much the same opposition which has turned up against the present Company, and he had also to contend with this: that the country was then a comparatively unknown wilderness. Soon after his failure the Government of Sir John A. Macdonald resigned, and the Government of Mr. Mackenzie was formed, and continued in power for a period of five years. Mr. Mackenzie's Government at once set to work to find a company that would undertake the construction of this railway. He asked the public for tenders for its construction. He offered a large amount in land and money, and asked how much additional assistance in the way of guaranteed bonds any one would require to undertake its construction. But not receiving any offer, he continued the work, during the whole term he held the reins of power, as a Government work. On a change of Government taking place in 1878, and the return to power of Sir John A. Macdonald, our present

leader, his Government at once set to work to find a company that would undertake the construction of this railway; and in the Session of 1880-81 Parliament approved of a contract which had been made between the Canadian Pacific Railway Company and the Government for the construction of this railway. The leading features of that contract were, that the Government were to complete and hand over to the Company, as part of their subsidy, 432 miles of completed road between Thunder Bay and Winnipeg, 213 miles between Kamloops and Port Moody, and sixty-five miles of the Pembina branch, which was then completed, and in addition a cash subsidy of \$25,000,000 and 25,000,000 acres of land. The Company was to complete, equip, and operate the line from Callander to the Pacific Ocean, 2,555 miles, before the end of 1891. Of that total distance the Company had to build 1,910 miles of a main line. I have made this brief *résumé* of history for the purpose of emphasizing the statement that this railway is an enterprise in which Canada is specially interested, an enterprise that the Dominion of Canada and all parties in Canada are specially pledged to complete. A very obvious criticism upon the speech of the hon. member who last addressed the House (Mr. Blake), arises here. Sir, he treated this question as if this railway were an ordinary railway; one to which, perhaps, the Government had given some assistance, in which the country was in a measure interested; but he did not speak of it as a railway which is a national necessity, as a railway, the completion of which, and the early completion of which, is a national necessity; nor did he speak of it as if it were a railway to which the country was pledged for its completion. I undertake to say that if strangers, unacquainted with the history of this enterprise, had been in the House the other night, and heard the hon. gentleman's speech, they would have gone away with the impression that this work was not one of any very particular or great interest.

to Canada. The course which Parliament should take with respect to the Resolutions before the Chair, depends very greatly upon this one consideration which I have been trying to insist upon. If this work is an important work; if the construction and early completion of this railway is a national necessity, then hon. members will be disposed to treat the Resolutions and propositions of the Government in a very different way from what they would if it were an ordinary railway, a railway in which Canada had some, but no especial interest. I undertake to say, therefore, that these Resolutions commend themselves to our favourable consideration: because, by some way or other, either by assisting the Canadian Pacific Railway Company, or by doing it as a Government work, Canada is bound to complete this railway. The Company at once set to work in 1881. The first year they constructed 165 miles west of Winnipeg; in the summer of 1882, 420 miles; in the summer of 1883, 377 miles, and sixty-six miles of siding; making the total of main line in the West, already completed, 962 miles, or, with sidings, 1,028 miles. And this line has been well constructed, constructed not as a cheap colonization railway, but as a first-class railway, as high in character as any railway ever estimated upon by any hon. member in this House. I was surprised to learn on investigation that the work west of Winnipeg for 900 miles had been as heavy as 16,320 cubic yards to the mile; this, of course, being caused by the determination of the Company to construct the railway high enough above the level of the prairie to render its operation not affected by the snow. The very greatest care has been taken in the construction of the railway to prevent difficult grades, and, except one short grade at the crossing of the Saskatchewan River, the maximum grade of the line west for 958 miles is only 40 feet to the mile; and the very best of material, including rails, has been used. In the West, also, the following branches have been completed: From Winnipeg to Pem-

bina Mountain, 100 miles; from that line to Gretna, thirteen miles; from Winnipeg to Selkirk, twenty-two miles; and from Emerson to the Pembina Branch, twenty-three miles, being a total of 158 miles, which with 1,028 miles, including the sidings, gives a total of 1,186 miles of railway constructed west of Winnipeg. At the close of the past season the Canadian Pacific Railway Company had constructed and laid track for 100 miles from Port Arthur east on the eastern division, and also from Callander 100 miles west; leaving the gap remaining to complete the eastern section only 447 miles, and the western division 290 miles. It is gratifying to know that even during the course of the present winter the work is being vigorously prosecuted; no less than 9,000 men are being actively engaged on the construction of the railway in this (the Lake Superior). The rate of progress which has been made justifies the House in the hope that the whole work, if there is no suspension, will be completed by the autumn of 1885. In addition to what I have mentioned on the eastern division, the Algoma branch, ninety-six miles has been built, and three steel steamships placed on Lake Superior for the purpose of doing business between Algoma Mills and Port Arthur. Now, Sir, while the Company have been so energetic and active in the prosecution of railway construction, they have not been less active and energetic in their endeavours to induce immigrants to come to the North-West. I find, sir, on investigating the matter, that an office has been established by the Company in London in charge of Mr. Begg, who reports that during last summer alone he answered no less than 18,000 letters of inquiry about Canada distributed over 2,000,000 of maps, folders, and pamphlets, printed in twelve different languages, that he has established 5,000 centres for the distribution of immigration literature in Great Britain alone; that he has four travelling agents constantly upon the road, and that the Company is advertising in four hundred different newspapers, and are themselves gratuitously publishing an illustrated

newspaper. Another very important thing was done, and, in my opinion, a very efficacious step, was taken by the Company during last season, and that is they have exhibited the products of the North-West at important public gatherings, notably at Amsterdam, the Royal Agricultural Show at York, the Highland Show at Inverness, the great Liverpool and Manchester Fair, the fairs at Birmingham and Smithfield, the Fisheries Exhibition at London, at Canterbury, and at a large number of county fairs. All the work which has been done so thoroughly and efficiently in Great Britain, by a London office, is being done on the continent by a continental office established there. Further, as if to carry the war into Egypt, the Company have kept agents travelling in New England and other portions of the United States circulating emigration literature for the purpose of inducing emigration from the United States to the Canadian North-West; and I am happy to learn that at the exhibition of North-West products, made at the Boston annual exposition, last fall, much interest was excited, and good results are likely to follow. All this, with the unprecedentedly cheap rate which has been arranged for going into that country, should induce a very large immigration to the North-West. Now, Sir, I propose for a moment to make a comparison between the progress made by the Government on this railway, and the progress made by the Company. The Government commenced work in August, 1874, and, on the 1st of July, 1882, a line had been completed from Winnipeg to Port Arthur, a distance of 435 miles, which, with the Pembina Branch, which had been completed in 1874, a distance of sixty-five miles, made a total of 500 miles. West of Red River the Government had completed sixty miles, which the Railway Company afterwards took up and built on a new location, making altogether completed by the Government in eight years, a total of 560 miles, or seventy miles per year. The Company commenced work in the spring of 1881, and have completed

to this date, of main line, 1,155 miles, and of branches, 256 miles, making a total of 1,411 miles, or an average of 470 miles a year. But the hon. gentleman who last addressed the House makes an objection here. He says that the rapid construction of this railway necessarily means increased cost. I do not believe that, under the circumstances of the case, the rapid construction of the Canadian Pacific Railway has meant increased cost. It is true that larger wages have been paid to the workmen and the navvies who have been employed on the railway. It is quite possible that the large demand for labour has raised the price per day per man above what it would have been if there had been a smaller demand. But that, Sir, is in keeping with our policy of increasing the price of the labouring man's wages, and on our side of the House we are not accustomed to object to anything which has that effect. But, Sir, there have been large offsets, large savings, by the rapid construction of this railway. It is a well known fact that steel rails have been cheaper during the last three years than they were ever known to be before, or are likely to be again. If the construction of the road had been proceeded with slowly, if the Company had intended to spread the work over the whole period covered by the contract, they would either have had to purchase rails at a cheap rate and hold them and pay interest on the cost, or to purchase them as they required them; in which case they would most likely have had to pay a much larger price. I contend that there has been in the saving upon rails alone a sufficient sum saved to more than cover all the increased cost which has resulted from the more rapid construction of the railway. But, Sir, there has been a much greater saving than this. There has been the saving of six years of interest during construction, interest which amounts on the capital stock to no less than about \$2,500,000 a year; and I claim, without fear of contradiction, that the saving in interest on construction for the six years, which the road will be completed before the

contract required it to be completed, is a much larger amount than anything which can be made out as the increased cost of construction. But surely, Sir, the House should not complain that the road has been constructed more rapidly than the contract required—this House should not complain even if there has been some increase cost to the country. The country will certainly settle more rapidly with a completed line than with a partly completed line; and it is perfectly evident that the Canadian Pacific Railway Company with a complete line, with an independent communication between Montreal and the West, can give better rates out of and into that country than could be obtained when we had to use the United States system in connection with the Canadian Pacific. Then, Sir, there is another point of advantage in the rapid completion of this enterprise. We have been observing, many of us with alarm and certainly with sorrow, evidence of discontent in the Province of British Columbia, over the fact that the railway was not going to be completed as soon as had been promised in the original convention; and surely it is a matter of congratulation that an earlier connection by six years between the remainder of the Dominion of Canada and British Columbia is obtained. Then, Sir, as was said the other evening by the hon. Minister of Railways, the phenomenal rapidity of the construction of the road is of itself a valuable advertisement, and draws the attention of the world, not only to the railway, but to the country. Another advantage is that we have six years sooner a continuous road, over which our immigrants can go from the East to the West; and though the hon. gentleman who last addressed the House said he felt humiliated when he heard this argument used, I am obliged to use it again to-day. He seemed to think it was speaking but lightly of the attraction of the Great West, to say that immigrants coming from England or Scotland could be induced by American agents to stop short of Winnipeg or the North-West. I undertake

to say that when a man living in the Old Country comes into this country, of the geography of which he is ignorant, not understanding in many cases the difference between the United States and Canada, it is possible for him to go to Dakota instead of to Winnipeg. It is saying nothing against the advantages of the North-West to say that our immigration is not safe so long as it is sifted through United States routes. Then, Sir, the last reason

shall mention why this House should rejoice at the early completion of this railway; is that it furnishes an earlier opportunity, by six years, for the commencement of the development of the trans-continental trade between China and Japan, and America and Europe. It gives us an opportunity six years sooner of beginning to find an outlet for our manufactured goods in the world of demand which exists in Asia. There is no question but that a very large trade, in cotton goods especially, may be done in Japan and China by our merchants and manufacturers when they have equal facilities with the merchants and manufacturers of other countries. Sir, for a moment compare our position with the line completed throughout Canadian territory, with what it would be if we were building this railway slowly during the next six years. We are saving expense in sending immigrants to the North-West; we are saving the danger of losing them; and we are also saving the risk of the trade of the North-West being handed over to the United States cities and United States merchants. To my mind, this of itself is a very important consideration. It seems to me that if we compel Winnipeg merchants, and the other merchants in the North-West, to open up accounts in Chicago, St. Paul and New York, it will be more difficult than the hon. gentleman seems to think to dis sever that connection, and afterwards obtain the trade for our own merchants and manufacturers. Sir, I ask, who should find fault with the early completion of the Canadian Pacific Railway, in fact as well as in name—that is, of a railway north of Lake Su-

perior? I can understand that the Minneapolis and Manitoba Railway Company and its shareholders, would find fault; I can understand that the Chicago, Milwaukee and St. Paul, the Chicago and North-Western and the Grand Trunk, and their shareholders would not like this arrangement. I can understand that the cities of St. Paul, Chicago and New York, the New England manufacturers, and the people of the United States, would not rejoice; and I can understand that the hon. gentleman himself would not rejoice, provided he is acting in the interests of his clients, the Grand Trunk Railway Company. But, Sir, if he is acting, as we are to presume he is, in the interests of the Dominion of Canada, he is bound to rejoice at the early completion of that road, as are the Parliament and people of Canada, and as are our merchants and manufacturers, at securing a direct connection with the rapidly increasing population of the North-West. The hon. gentleman contended that if the Company had proceeded more slowly with the construction of the railway, they might possibly have completed it from the proceeds of the sale of their lands, without coming to Parliament for this loan. That is quite probable. It is quite probable even now that, by suspending operations for six years, they might accumulate enough money from the sales of their land to complete the railway in two years, and thus fulfil their contract. But do the people and the Parliament of Canada desire to see a suspension of that work for six years? Do we desire to see a check to the progress of the country for so long a period as six years? There is no use in saying that if the Company had not done this, they might have done that. They have not proceeded slowly; they have proceeded rapidly and energetically, and they need assistance; and the question before the House is, shall we render them that assistance? The hon. gentleman also objects that they have been reaching out in different directions, obtaining connections east and west; and that if they had not done so, they would

have had sufficient means in all probability to have completed the railway without coming to us for further assistance. I shall treat that objection more fully later; but I must say here, that surely the people of Ontario ought not to object to a second trunk line through the peninsula of Ontario. The people of Ontario should not object to that which must furnish them with a relief from the monopoly, not in the North-West, but in their own Province—a monopoly that has existed for the last thirty years. It seems strange to me that the hon. gentleman should so eloquently champion the cause of the people of the North-West, should so eloquently oppose a monopoly in the North-West, and yet so valiantly defend a monopoly in his own Province of Ontario. But should the House of Commons disapprove of an effort on the part of this Company to obtain additional business for the Eastern Division of their line? It is a well known fact that if the business of the Eastern Division of the line can be increased, even from Ottawa to Montréal by the Ontario business, lower rates of freight can be given by the Company to the Manitoba farmers than can be given if a small business is done on the Eastern Division of the line. It is also evident, that without feeders, reaching out into the older parts of the Dominion, the Railway would have but a small chance of obtaining a fair share of the westward business; and therefore what the hon. gentleman blames the Company for, namely, the reaching out into the eastern part of the Dominion, for the purpose of obtaining business for their line both in the East and in the West, is something this House should not disapprove, but should certainly approve. I have now shown, or have tried to show, that the construction and completion of this road is a national necessity, and being a national necessity, the resolutions before the Chair are to be considered in a very different light from that in which they ought to be considered if this railway were a mere ordinary enterprise. I have

also shown, I trust, that the Company on their part have done their share thoroughly and well. They have built a better line than they agreed to build. They have built it much more rapidly than they undertook to build it, and certainly, in that respect, commend themselves to the favourable consideration of the House. I now propose, with the permission of the House, to adduce an additional reason why we ought to come to their assistance. That additional reason is the character of the opposition from which they have suffered, and against which they have contended. That opposition has been of a variety of kinds. There has been the opposition of the Liberal party in this House, and that opposition—I do not say directly, but indirectly—has been directed to prevent capitalists from buying the stock. I maintain that the opposition which has been directed by hon. gentlemen opposite against this enterprise has directly tended to depreciate the securities of the Company and to prevent capitalists from investing in these securities. That opposition, also, has the tendency to prevent immigration to this country—not that hon. gentlemen opposite intended it should, for I do not believe that, wittingly, they could take so unpatriotic a course—but the course they have taken has had that direct result. How have the members of the Liberal party in this House prevented capitalists from buying stock? They have done so by exaggerating the cost of the construction of the railway; by under-estimating the area of the fertile portion of the country; by magnifying the extent of the mountain portion; by telling us, day after day, that British Columbia is a sea of mountains; by minimizing the volume of emigration; by magnifying the so-called exodus, and by under-estimating the probable receipts from the sale of lands in the North-West. How have they prevented emigration to this country? They have done so by preaching that such high rates are charged by the Canadian Pacific Railway, under the monopoly clause, and that such high rates will be charged

by that Company, that it is a matter of indifference to any one going into that country whether he raises a good or a poor crop; they have done so by preaching that the Government land regulations in the North-West are so unjust that it is impossible for immigrants to prosper under them, and that those who go there invariably leave for Dakota and Minnesota; and they have done so by lauding the beauties of Dakota and the delights of Texas. Even the other evening, the hon. gentleman, no doubt unintentionally, used some arguments which must have the effect of bearing the stock of this Company, when he told us, for example, that the land through which the railway actually passes—the prairie—is much less valuable than that through which it would have passed if it had gone further north. Well, I am not going to take up the time of the House with arguing that the land is as good where the railway actually runs as it would have been had it gone further north. I merely mention this to show that the effect of such an assertion will naturally be to lead the capitalists of the world to believe that this railway company have in their land grant, in the railway belt, an inferior character of land. But it does not seem to me at all probable that, with the whole country before them to choose from, a country not covered by timber, but perfectly open for observation, and which had been fully surveyed, this Company when it had perfect liberty to go anywhere, would have located their line so that their land grant would be useless. The hon. gentleman, in the course of his argument the other evening, said that the competition between the Canadian Pacific Railway Company, as the lessees of the Ontario and Quebec and Credit Valley Railways, and the Grand Trunk Railway, would be so keen that the Canadian Pacific Railway Company would find their rent charge to the Credit Valley Railway a very serious drain upon their net earnings. Without stopping for a moment either to attack or to condemn the statement which the

hon. gentleman made, it is perfectly plain that that is no reason why the Resolutions before the Chair should or should not be adopted, but that the sole effect of a statement of that kind going abroad from such a source will be to lead the investing public to think that the Canadian Pacific Railway Company are likely to be compelled to use the whole of their earnings in paying the rent upon their leased lines. The hon. gentleman also expressed his sorrow that he could not agree with the statement of the hon. the Minister of Railways that the earnings of the Company so far had been satisfactory. This is not a reason why these Resolutions should be adopted or rejected, and the effect of that must be, as I said before, to bear the stock of the Company. The hon. gentleman also referred to a supposed interview between the General Manager, Mr. Van Horne, and a reporter of the *Montreal Star*. I am informed no such interview ever took place. When the hon. gentleman read the statement I was unable to discover whether his object in so doing was to have an opportunity of creating a laugh in the House, or whether his idea was that this had some important bearing upon the Resolutions before the Chair. It is plain that what other effect it may have had, it must have had this effect, namely, that this road was being built in a haphazard manner through the country, without any reference as to whether it was going through good or bad land, and without any estimates whatever. If the General Manager said the Canadian Pacific Railway Company had not time to make estimates, what he meant was this: that the Company was proceeding so rapidly that, after they had ascertained the best location for the line, they went to work to build it without taking a great deal of time to estimate whether it would cost \$1,000,000 or \$2,000,000. For my own part, I do not see what difference it makes. I do not see what advantage it would be for the Canadian Pacific Railway Company to have estimated the cost of any particular mile of road they have constructed in the prairie section.

The important thing for them to settle was the best location. Having settled that, and knowing that they must build the road, I do not know what particular advantage careful estimates would have been. Then, Sir, besides the opposition of hon. members in this House, there has been the opposition of the Liberal press, which has been iterating and reiterating the arguments of hon. members in this House, on the points I have mentioned, and, being under less restraint, have gone one better, and have given the world the earliest information of blizzards and droughts and frosts in the North-West; and for fear that the world would not observe these reports, they have always given them a prominent place on the first page, and have drawn attention to them by heavy head-lines. Besides, there has been the publication of bogus experiences of suppositious individuals in the North-West; and these have been cut out and sent to a foreign press, subsidized for the purpose of discrediting the country and discrediting the Canadian Pacific Railway. Why, Sir, articles have been written, I am sure, for the very purpose of being re-published in foreign newspapers. Take the *Globe* of the 5th of the present month, and you will find in it a letter supposed to have been written by a workman in that city out of work. I am not going to read the letter, but the writer makes the statement that 40 per cent. of the workmen in the city of Toronto at present are unemployed, and he says the Government are only betraying workmen by bringing immigrants to the North-West when fully 40 per cent. of the workmen in Toronto are at present unemployed. The *Globe* of the 6th, the following day, as if to give time for this letter to have its full effect, has an editorial headed "betrayed workmen," in which it calls special attention to the letter of the day before, and gives the impression to the public that this particular workman was one of those who were induced to come to this country to settle here. That was not the intention of the writer of the letter, but the impression is conveyed that 40 per cent. of the

workmen in this country are out of work, and that it is the height of folly of any immigrant to come to Canada to-day. What could be more injurious or pernicious than this? If the Liberal papers of this country would only take a leaf out the book of their neighbours to the south, they would never publish such articles. The political parties in the United States fight with all the rancour of the political parties in this country, but there is one thing they never do—they never foul their own nest, they never decry their country. Why, Sir, if you will look at the *Globe* of the 5th, you will find the most astounding cablegram from England, headed "British opinion on the new bargain with the Canadian Pacific Railway. Investors in railways alarmed:"—

"The terms of the Canadian Government's proposed new arrangement with the Canadian Pacific Railway Company have been announced here. They are receiving much attention from the press. The opinion is expressed that the Canadian Government is taking a course likely to damage the country's credit by linking its fortunes so closely with the railway. It is also thought that the proposed arrangement is in effect a gross breach of faith towards British capitalists who have invested in other Canadian railways. The subsidizing of the road in respect of works east of the original main line is taken to be an active hostility towards investors in railways in Eastern Canada. This feeling appears to be gaining ground, and already it is rumoured that steps will be taken to express formally opposition to the scheme."

What these people are going to do, it is difficult to say. Whether a portion of the British army is to be sent here to turn us out, as Cromwell did the British Parliament years ago, it is difficult to say; but this much is certain, that the Parliament of Canada will maintain their right to manage Canadian interests without the assistance of the *Globe* correspondent in London. What is the pretence here? The pretence is that it is a breach of faith to the shareholders of the Grand Trunk Railway Company for the Government of Canada to assist in the completion of the Canadian Pacific Railway. Why, pray? For the simple reason that the Canadian Pacific Railway, by means of the Ontario and Quebec Railway, and the Credit Valley Railway, are likely to be competitors with the Grand Trunk Railway.

I presume that the men who are making this objection, the shareholders in the Grand Trunk Railway, if they were shareholders in any other railway,—in the London and North-Western Railway, for instance,—would consider it a great breach of good faith if the Parliament of Great Britain were to allow a competing line with the London and North-Western. I was under the impression that there was more than one line of railway from London to Liverpool, and more than one line from London to Glasgow; and what, pray, would an English shareholder in the Grand Trunk Railway say if it were contended in England that it was a breach of faith to permit more than one line of railway to connect the same places? Yet, because people in England are shareholders in the Grand Trunk Railway Company, we are never to be permitted to construct any railway which by any possible chance can compete with that line. And these are the views of hon. gentlemen on my right. They are supporting this view, that, although a monopoly is wrong in Manitoba, a monopoly must be preserved to the Grand Trunk Railway Company in the Province of Ontario. Sir, where are the reporters of the *Globe*, who used to go down regularly to the station, and observe the arrival of the train, and report in the *Globe* of next morning how many hours late the train was? Where are those reporters who used to give us such harrowing details of every accident that happened on the Grand Trunk Railway? Why, at the present day you would not suppose such a thing as an accident ever happened on that railway; and I cannot help asking where that sweet singer of Israel is who composed that ballad, "Ontario, Ontario"? It seems to me that when an effort is made to rivet the bonds of the Grand Trunk Railway upon the Province of Ontario, when it is supported in this House by the whole force of the Liberal party, and is supported in the country by the whole force of their press, and after they have swallowed up the Great Western without dissent, and the Midland system, it is time that singer should

compose another ballad in which the refrain would be "Ontario, Ontario." I undertake to say, and it is evident from the course the *Globe* is now pursuing, that that paper is as much a part of the equipment of the Grand Trunk as the rolling stock of that railway.

Then we have the opposition of the party in this House, we have the opposition of the party liberal press, and we have the opposition of individual Liberals; and the efforts of the latter seem to be to foment discontent in the North-West by getting up meetings—agitation among the people, leading them to suppose that they are being abused by the Canadian Pacific Railway Company, and by the Government. And, besides all this opposition, which we should not have at all, opposition from within, opposition which has done more harm to the Canadian Pacific Railway Company, and to the cause of immigration, than all other opposition; besides all that, we have the opposition of every American line of railway to the construction of the eastern division of the Canadian Pacific. What do you see? We see Mr. Hill, one of the leading owners of the Minneapolis and St. Paul Railway, taking a prominent part in the formation of the Syndicate, taking stock in the Canadian Pacific Railway Company, and taking the most active part in the organization of the Company, and in furnishing the money to organize it—up to a certain moment. From that moment he leaves the company, he takes his money out of it, and he commences to fight. What is the cause? The moment he left was the moment when he discovered that it was the determination of the Company, and of the people of Canada, that we should have a Canadian Pacific Railway in fact as well as in name—a line completed from ocean to ocean upon Canadian territory. Then we have the opposition of all the cities in the United States to this enterprise, all the cities which are interested in foreign shipping or in railways, the opposition of every railway in the United States that has a land grant to sell or is in

terested in the carrying of immigrants, and, as I have said before, the special opposition of the Grand Trunk Railway and its shareholders; and we even hear the credit of the Dominion itself attacked. These gentlemen have got so ambitious that they are not satisfied with bearing the stock of the Canadian Pacific Railway Company, but are commencing to attack the credit of Canada itself; and I noticed the other day that the Marquis of Lorne, at a meeting he was attending in the interests of Canada, was obliged, as an initial step, to contradict a message from the city of New York to the effect that the financial affairs of the Dominion of Canada were in a very critical position. These opposing influences have been favored, at the same time by an almost unprecedented condition of weakness in the stock markets of London and New York, and this rendered it impossible for the Company to dispose of their stock except at an enormous sacrifice. Here is an additional reason why this House should receive with favour the propositions of the Government. The road is a national necessity; its early completion is a national necessity. The Company have performed their part of the contract well and thoroughly, and the hon. gentleman does not find a word of fault with the rate of progress they have made. And they have been opposed by forces which renders it our interest and our duty to support them. In November last this state of things being represented to the Government, the Government made an arrangement by which they received a certain deposit of money and undertook to guarantee a 3 per cent. dividend upon \$65,000,000 of the capital stock of the Company. Under any ordinary circumstances that should have sent the stock of the Company at least above 75 cents on the dollar; but, under the circumstances actually existing, it not only did no service to the Company, but was actually injurious, inasmuch as it deprived them of the deposit of cash which they had made with the Government. Sir, with the permission of the House at this point, I would like, for a moment, to diverge from the line

of argument in order to consider the value of Canadian Pacific Railway stock as an investment. At its present price of fifty-six the interest paid on the stock at 5 per cent. per annum is equal to a dividend of about 9 per cent. on the money invested; and taking the guaranteed dividend alone it is equivalent to an interest of $5\frac{1}{2}$ per cent. Now, Sir, I propose, for a moment, to examine the question of a probable dividend after construction has been completed. To do this we ought to consider, first, the volume of dividend bearing stock; secondly, the probable earnings; and, thirdly, the income likely to be derived from the sale of the land grant; and we should enter into this investigation by making comparison with other Pacific roads. The road, when completed, is expected to have out a capital stock of \$90,000,000, and it will owe as a funded debt about \$5,000,000, making a total of debt and dividend bearing stock, of \$95,000,000, for a total mileage of 3,304 miles. Now, Sir, compare this with the other Pacific railways. Take, for example, the Central Pacific Railway. Their main line, from Ogden to San Francisco is 883 miles; the funded debt amounts to \$61,258,680; the capital stock amounts to \$59,275,500, and the total liability is \$120,534,180. The Union Pacific Railway, from Council Bluffs to Ogden, is 1,042 miles; the funded debt is \$75,132,512; the capital stock is \$36,762,300; making a total of \$111,894,812. The Union and Central Pacific combined have a funded debt and capital stock amounting to \$232,428,992. The Northern Pacific has a mileage of 1,954, a funded debt of \$68,850,000, a capital stock of \$100,000,000, making a total liability of \$168,850,000. Now, Sir, for a moment compare the position of the Canadian Pacific Railway with these various other lines. The Canadian Pacific Railway, according to the figures I have given, would have to pay a dividend on about \$28,000 to the mile; while the Central Pacific is required to pay interest and dividend on about \$136,000; the Union Pacific on \$107,000 to the mile; and the Northern Pacific on \$86,-

000 to the mile. Or to make it more plain to the House, the Canadian Pacific Railway will pay dividends with one-fifth the earnings per mile that the Central Pacific would require, one-fourth the earnings that the Union Pacific would require, and one-third the earnings that the Northern Pacific would require, to pay the same dividends. As to the past earnings, I claim that the result has been encouraging, if you consider the disconnected condition of the line and the extra expense entailed in its operation on that account. The gross earnings for the year 1883, were \$5,420,913, with a mileage of 1,100 miles at the beginning, and 1,900 at the end of the year, or an average of, say, 1500 miles for the year. This is an average of \$3,536 per mile, notwithstanding, as I have said before, the incomplete and disconnected condition of the road, and the fact that it has been pushed somewhat in advance of settlement. On the Eastern Division the earnings for the year were at the rate of \$3,464 per mile, or, less construction material, at the rate of \$3,301 per mile. This has been secured entirely on the local traffic without any assistance from through traffic whatever, and it can easily be seen how largely the earnings will be increased when the whole of the line is connected. Now, as to probable earnings after the completion of the road. We have to take into consideration the Canadian business, in which I include the eastern movement of grain, and the western movement of manufactured goods, the movement of lumber from both West and East to the prairie section; and the distribution of fuel, together with the foreign business, such, for example, as the Chinese and Japanese trade with Europe and America. As to the latter business, there are three important advantages which the Canadian Pacific Railway will enjoy over any of the other Pacific lines—first, it will have a much shorter distance; secondly, it will have much easier grades and, thirdly, it will have an independent position, the whole mileage being made upon one line of railway without change of cars.

To illustrate the advantages that the Canadian Pacific Railway will enjoy, I will give you the following distances:—From Yokohama to Liverpool by the Central and Union Pacific Railways, the distance is 11,990 miles; by the Canadian Pacific Railway the distance is 10,977 miles, an advantage in favour of our line of 1,013 miles. Now, as to the matter of grades. The Northern Pacific has grades of from 118 to 130 feet per mile, frequently over the mountain section, extending for 900 miles. On the Union and Central Pacific Railways you find grades of 116 feet to the mile, frequently over mountain sections of 1,225 miles in extent. On the Canadian Pacific Railway there will be one maximum grade of 116 feet going West for a distance of twenty miles, and two of 116 feet coming East. From the summit of the Rocky Mountains to Lake Superior, coming eastward, the maximum grade will be 40 feet, and going westward 52½ feet to the mile. Between Montreal and the summit of the Rocky Mountains, either way, the maximum will not exceed 52½ feet to the mile; and the mountain section, instead of being 900 miles in length, as in the case of the Northern Pacific, and 1,225 miles, as in the case of the Union and Central Pacific, will be covered by a distance of 125 miles. In addition to this, and quite as important as either of these considerations, the Canadian Pacific Railway Company will be able to run over its own line—to run its own cars from one ocean to the other; and I claim that these advantages are sufficient to draw to our line a very considerable part of the Chinese and Japanese trade. Now, coming back to the question of the movement of grain and cattle, I have no doubt that there will be a surplus for exportation. I have great faith in the possibilities of that country. I believe that it is now fully and clearly established beyond dispute that there is a very large area of country there, which is, at least, among the best wheat-producing countries in the world. Now, sir, I have been curious to inquire what acreage of wheat and

oats would be sufficient to furnish a paying business for the Canadian Pacific Railway, and what acreage the Canadian Pacific Railway will have to reach out for. Well, Sir, the railway belt alone contains 22,000,000 acres of good wheat land; and when you add to that the additional country, which will be made tributary to the line by the branches of the Railway Company itself, and the independent branches, you can form an idea of the immense area of country that will be served by this road. Now, supposing that three-fourths of the grain is exported, and one-fourth is retained in the country for consumption, at moderate rates for freight, how much grain would be required to be raised in Manitoba and the North-West to furnish a paying business for the Canadian Pacific Railway? Suppose, for example, that 20,000,000 bushels were raised—and that is a very much smaller amount than the hon. Minister of Railways mentioned the other night. Supposing that 20,000,000 bushels are raised, and that 15,000,000 bushels would be exported; that would furnish, at 400 bushels per car, 37,300 car-loads of grain to be moved east-ward, this with the other business that would necessarily follow, such as the carriage into the country of manufactured goods, the distribution of lumber and fuel would furnish, beyond all question, a dividend paying business for the Canadian Pacific Railway. Now, Sir, it does not require so large a country to produce 20,000,000 bushels of grain as some hon. gentlemen might suppose. Making a moderate estimate, supposing each farmer will have fifty acres in grain and that is not a large estimate for a western country, but a small estimate, it will only require 20,000 people to be engaged in farming in the North-West and Manitoba, to produce a paying business for the Canadian Pacific Railway. And, Sir, the acreage last year under crop is estimated by good authority to have been 500,000 acres, or one-half the quantity under cultivation that is required to furnish business

for the road. I estimate the probable acreage under cultivation next year at 625,000 acres, and say, in 1885, 900,000, or within 100,000 of the acreage necessary to be under cultivation to furnish a business that will pay a dividend on the stock of the Canadian Pacific Railway Company. It is easy to see if a population is settled in that country, that there must be a large business in the western movement of manufactured goods. There is an exceedingly large business already. It is easy to see that the distribution of coal and lumber will also make a large business, to say nothing about the mining boom in the mountains, of which we are beginning to hear, and the production of cattle and sheep on the North-West ranches. Not only will our line have the advantage over the other Pacific roads as regards trade between Asia and Europe, but it will have the advantage in the transport of grain to Liverpool, in point of distance. A comparison of distances to Liverpool, by the different Pacific railways, shows that our road has a very large advantage. For instance, by the Central and Union Pacific the distance is 6,762 miles; by the Northern Pacific, 6,841 miles; by the Canadian Pacific, 5,941 miles, or nearly 1,000 miles shorter than by any other Pacific road. What dividends do these other Pacific roads pay on their stock? The Central Pacific, with a debt amounting to \$136,000 per mile, with a debt which requires the Company to earn \$5 to pay a dividend where the Canadian Pacific Railway Company would be required to earn only \$1, actually pays a regular dividend of 6 per cent., and has paid as high as 10 per cent. The Union Pacific pays 7 per cent. on its capital stock regularly. Besides all this, an additional comparison might be made with other railways in the United States running through a prairie country. The bonded debt of the Chicago, Burlington and Quincy amounts to \$51,000 per mile; of the Chicago and Alton to \$54,000 per mile; of the Chicago, Rock Island and Pacific to \$47,000 per mile. These roads are all paying roads, they are all com-

peting lines running between the same points, and their bonded debts are two or three times as much as that of the Canadian Pacific Railway Company; and they all run through a prairie country and depend on the same class of business as the Canadian Pacific Railway will depend upon. Then the Canadian Pacific Railway Company have the sale of their land grant to steady the rate of dividend. An idea may be arrived at of the income that is likely to be derived from the sale of the lands by the following statement: The average of past sales has been \$2.36 per acre. At the same rate the balance of the land grant would yield \$50,000,000, against which there would be a charge of about \$16,000,000, land grant bonds, \$5,000,000 of which are deposited with the Government. This would leave say \$40,000,000 which would be available from time to time after the loan from the Government had been paid off in steadying the rate of dividend until such time as the earnings of the Company from other sources would be sufficient. Then I say that, considering the 3 per cent. dividend guaranteed by the Government for a period of ten years, considering the fact that this railway is the great artery through an agricultural country of unrivalled extent and fertility, considering that it will have little or no bonded debt when it is completed, considering its advantages in point of grades and distances, considering its independent position, considering the value of its land grant,—I think in a fair market, and without the opposition that we all deplore, this stock should bear a high price in the market as an investment. But, Sir, the guarantee did not avail in strengthening the market. It is a fight between the enemies of Canada on the one hand, aided by the enemies of the present Government; and Canadian interests; and the time has come when the Canadian Government and the Conservative party supporting that Government, have to take a hand in the struggle. And the question is, what course shall we adopt with respect to the resolutions now submitted?

for our approval or rejection. There are three alternatives: we may suspend operations on this railway; we may oblige the Company, perhaps, to sell their stock at a sacrifice, or we may make the loan as proposed by the Government. There is one consideration which comes in here, and that is, that we cannot under the contract, compel the Company to sell their stock or sacrifice their lands. We cannot compel them even to go on with the work. They have a perfect right, as I understand the contract, to suspend operations for five or six years, if they choose to do so, and then go on with the work, provided they complete it within the time mentioned in the contract. What would be the effect on the country if they suspended operations? It would be, in the first place, to discharge, about 12,000 men in mid-winter, and throw them upon the country for support. It would be to weaken the already somewhat weak nerves of bankers and capitalists, to put it mildly, and it would throw a blanket, and a wet one too, over every interest and industry in this country; and it would stop the wheels of progress as regards settlement, immigration and progress generally for an indefinite period. What would be the effect on the Conservative party, which is always an important consideration to the country? It would be this: The people would say, and would have a right to say, you approved of a contract, in 1881, for the construction of this railway; you came back to us for our approval or rejection; and we returned you by an overwhelming majority; then, you were not satisfied. In the Speech from the Throne, at the opening of the Session, it was plainly indicated that additional assistance must be given the Railway Company; and at two bye-elections, taking place at points far remote from one another, which occurred after this declaration was made, we gave most unmistakable approval of the proposition to further aid the Company; still, notwithstanding these unmistakable declarations,

you have come up to the hedge and refused to take the step which prudence and reason require you to take. The Liberals themselves could not have done worse or have acted less in the interests of the people. But what would be the result of selling stocks at a sacrifice? It would be to add very largely to the proprietary interest, and it would make it impossible for the Company to give as fair and low rates of freight and passage as they would be able to give provided the stock is kept at a reasonable figure. What would be the result if this loan is made and is repaid, as we have every reason to say that it will be? The result will be that we borrow the money at 4 per cent. and lend it at 5, a transaction which would be a profitable one to the Dominion from that point of view. But supposing the loan should not be repaid, I desire to submit a statement to the House which I have prepared with some care, as to what the road would cost us in case it came into our hands under a foreclosure. I make the cost of the main line \$75,891,900, in this way: Expended by the Government, \$28,000,000; cash subsidy, \$25,000,000; loan, \$22,500,000; and 3,753,400 acres of land actually sold at \$1 per acre, \$3,753,400; land grant bonds sold and uncovered by sales of land, \$1,123,500; allowing twelve months' interest for the default, \$3,215,000, making a total of \$83,591,900. From this should be deducted the branch railways, say, \$4,500,000; for payments made in the purchase of the line from Callander to Montreal and Brockville, \$3,200,000; total, \$7,700,000, which deducted from the total, leaves as the cost of the railway, \$75,891,900. But besides this there is another consideration which must not be forgotten. We have a line and an equipment at least \$10,000,000 more valuable than the line and equipment which were estimated by the hon. Minister of Railways in 1880. In addition to all that, there is a saving to the Government of six years' interest during construction upon their cash subsidy of \$25,000,000, and upon the money expended by the Gov-

ernment in railway construction, of \$28,000,000; that is to say, the saving of interest for six years upon \$53,000,000 amounts to \$12,720,000. I do not mean to propose the reduction of this \$10,000,000 and this \$12,000,000 from the figures I have given as the cost, but I do mean to say that it is a fair subject for consideration. The Government are supposed to have got value for what they gave their money for when the road is completed, and if the road is completed six years before 1891, we are entitled to mention the fact, and there is a saving of interest during construction of six years on this amount. I will only refer to the fact that the cost of this road is going to come far under any estimate which has hitherto been made either by hon. gentlemen to my right, or hon. gentlemen in front of me. The estimate of the hon. member who last addressed the House, of \$120,000,000, made in his speech of 1880, was not for a better road or a better equipment than that which the Canadian Pacific Railway Company has built, and certainly the road and equipment, as I said before, is much better than were estimated for by the hon. Minister of Railways. Another important consideration is the value of the lands which Parliament in 1879 set apart for the purpose of the construction of this road. We, by formal resolution in 1879, set apart, for the purpose of completing this road, no less than 100,000,000 acres; and whether you take the price at \$1 or at a higher figure, it is certain that the cost of this railway, if it falls into our hands, under foreclosure, will be largely within the value of the subvention which the House made for the purpose of the construction of this railway. I now come to the consideration of some additional points in the speech of the hon. member who last addressed the House on this subject. I took pains in reading his speech, after getting possession of *Hansard*, to distribute it under different heads, and I found when I got the points distributed, that they fell under the following heads: Criticisms of the Syndicate; criticisms of the Govern-

ment, and reasons why the Resolutions should not be adopted; and I am bound to say that, by far the largest part of the speech will be found under the head of criticisms of the Government and criticisms of the Company. The first ground of criticism of the Syndicate was that the hon. member had no means of knowing how much stock had been given to the members of the Syndicate for advancing the \$5,000,000 necessary to be paid in by the Company in organizing. Well, I have no means of knowing, but the hon. gentleman himself told us sufficient to lead us to know that there had not been a very large advantage given to the Syndicate in the sale or distribution of this stock. He told us that the net proceeds of this stock, after deducting all commissions, amounted to about 46 cents on the dollar; and we all know that the price at which it was emitted to the stockholders has been about, on an average, 50 cents on the dollar.

MR. BLAKE. Sixty cents on the dollar.

MR. IVES. Some at 60, but more of it at less than 50. Therefore it is perfectly evident, by the hon. gentleman's own showing, that there cannot have been any particular advantage given to the members of the Syndicate in distributing the stock allowed to them for the \$5,000,000 of capital which they furnished in the organization of the Company. I may say that in this matter Parliament has no interest, except to know that an inordinate amount has not been given—an amount which would largely increase the proprietary interest of the roads, and largely affect the questions of dividends and rates. If the hon. gentleman is able to figure out that the stock, including all that was given to the Syndicate, has yielded an average of 46 cents on the dollar, instead of making out a case against the Syndicate, he has made out a case in their favour. I am aware that it has been usual with other great lines of railway, particularly lines constructed to the south of us in the United States, for the directors

and promoters to make a large grab in the way of profits and stocks; and that having been the case with reference to almost all the American Pacific roads, it having been the case in respect to the Grand Trunk, I was not much surprised that the hon. gentleman directed attention to this subject. I am, therefore, exceedingly happy that he did not find the mare's nest that he was looking for. It is to be observed that the best evidence that the Canadian Pacific Railway Company, and the original promoters of that Company have not been after a grab of stock, or of profits, out of this undertaking, is the character of the road they have built, the way in which they have carried on their work, and the fact that the stock has realised, under all the circumstances, as much as 66 cents on the dollar. Then the hon. gentleman objects to the fact that a construction company was organized; and he points his objection with the remark that the construction company ceased operations as soon as the funds gave out, and argues from that that its object was to rob the Railway Company. In this matter also, the Government has no interest, unless the construction company was used as a means of robbing the Railway Company. Now, Sir, it has been found necessary to carry on all great enterprises of this kind by means of construction companies. I am quite prepared to admit that there have been cases of abuse—cases in which the directors of a company have had an interest in the construction company and have made their steal by that means; but it is none the less true that a construction company is useful, and, under certain circumstances, necessary. For example, the promoters of a great work like this, have not money in hand with which to pay for construction. They have a right to emit stock and bonds for that purpose, but it is almost always impossible to induce the general public to invest in their stock or their bonds until a certain amount of progress has been made in construction. It is, as a rule, necessary to organize construction companies, giving them

certain advantages in order to induce them to construct railways, and to hold back the stock and bonds until there is a market for them. In this case it so happens, not as the hon. gentleman stated, that none of the directors of the Canadian Pacific Railway were directors of the construction company, and it also happens that they have no further interest in the construction company than every other shareholder in the Railway Company had. It is a fact, as I am informed, that a trustee for the Railway Company represented it on the board of the construction company, and that that was the only interest anybody connected with the Canadian Pacific Railway had in this construction company. It is also true that only a small portion of the road has been constructed by a construction company—only one-third of the distance between Winnipeg and the summit of the Rocky Mountains. And I may here say that the object of organizing this construction company, was to induce certain capitalists, not members of the Canadian Pacific Railway Company, to lend their strength and their financial credit to the enterprise, for the purpose of carrying on the work of construction; and it is an open secret that so careful were the Railway Company of the interests of the railway—so impossible did those gentlemen who went into the construction company find it to make any money out of it, that they gave up their contract—not because the funds ran out; but because there was no money in it—owing when they ceased, the Canadian Pacific Railway Company, the sum mentioned by the hon. Minister of Railways. It is another reason why the Company should receive the favourable consideration of this House—that these gentlemen have not allowed any grab, or made any grab; at the expense of this Company, or at the expense of the country. The hon. gentleman next argues that the Syndicate increased their capital stock from \$25,000,000 to \$100,000,000, and that they got the Government to guarantee a 3 per cent. dividend, in order that they might get

11 per cent. interest on the money they put into the stock. One word, I think, is sufficient in answer to that. If these gentlemen did that, they must have entirely changed their minds, because, instead of using the time until 1891 to draw that interest, they have so hurried construction as to cut off six years of that high rate of interest. But the hon. gentleman himself, in another part of his speech, furnishes an answer to this same objection. He tells us that it is perfectly childish to suppose that the guarantee could have appreciated the stock, or could have been of any advantage to the stockholders. If so, it is perfectly evident that his objection, which I am now commenting upon, is unfounded. The hon. gentleman next objects to the acquisition of the Atlantic and North-West charter, and to the purchase of a controlling interest in the South-Eastern Railway. Now, Sir, the Canadian Pacific Railway Company have an interest that the freight which they bring from the West to the city of Montreal, particularly in the winter season, should be carried to the seaboard at a reasonable rate; besides, the Grand Trunk Railway controlled the only bridge that crossed the St. Lawrence, and, at the time the Canadian Pacific Railway Company invested in the South Eastern, controlled every line of railway leading from Montreal except the South Eastern. It is an open secret that it was a race between the Grand Trunk and the Canadian Pacific to obtain a controlling interest in that road. Although I am prepared to admit that it is a question about which something can be said on both sides, yet I think the Canadian Pacific Railway Company have an interest that their freight, brought to Montreal and proceeding to the seaboard, should not be left entirely at the mercy of the Grand Trunk Railway. But the hon. Minister of Railways gave another reason, and an exceedingly good reason, why the Company invested in a controlling interest in the South-Eastern Railway. It was that they desired to attract to it and to their own line

business coming from the seaboard and going westward. It is perfectly evident that if the Canadian Pacific Railway Company confine their interests west of the river, or west of the city of Montreal, everything going from the East to the West will pass over the Grand Trunk; and therefore if the Canadian Pacific is to obtain any business south of Montreal, it is necessary that it should have feeders to bring that business to it. And for my part, I consider that, interested as the country is in assuring a large volume of business on this Canadian line, interested as the country is in low rates of freight on that line, we can at least pardon the Canadian Pacific Railway Company for having had the foresight to prevent the Grand Trunk from controlling the last avenue from the East, and thereby securing all the freight going from the East to the West. But the hon. gentleman made merry over the idea that the Canadian Pacific Railway could not use the South-Eastern as a feeder without its becoming at the same time a sucker; or, in other words, that if the Canadian Pacific Railway took business coming westward from the South-Eastern, they must necessarily give other business to the South-Eastern. I do not see anything particular to laugh at in the statement of the hon. Minister of Railways. Take, for instance, the case of the Central Vermont which runs alongside the South-Eastern. The Central Vermont is under the control and in with alliance the Grand Trunk Railway. It is a feeder of the Grand Trunk Railway. The business brought to Montreal from the West over the Central Vermont goes to the Grand Trunk Railway; but, because the business coming from the East goes to the Grand Trunk, it does not follow that the Central Vermont carries the freight of the Grand Trunk Railway to the seaboard. It is merely a branch of the Grand Trunk Railway, which carries its own traffic over the main line to Portland *via* Island Pond. So far as the Atlantic and North-West was concerned, that charter contained the power of bridging the St. Lawrence.

and it was a matter of importance to the Syndicate to obtain the right to bridge that river, and to obtain an interest in the South-Eastern. I now come to a question about which I hesitate saying anything, because it seems to me a matter entirely unworthy of mention in this House. I refer to the statement of the hon. gentleman that the gentlemen of the Syndicate had built lordly palaces and made magnificent benefactions, the insinuation being that they built these lordly palaces and made these magnificent benefactions out of their profits from the Canadian Pacific Railway. I claim that such a statement, unless founded on fact, is one which should not have been made here, and which should not attract attention here. It is a matter of fact well known to all that these gentlemen were wealthy before they ever had anything to do with the Canadian Pacific Railway, that they were in a position to build good houses and make large benefactions independent of the Canadian Pacific Railway; and it is also a matter of fact that the contract for this lordly palace, which the hon. gentleman thought worthy of mention here, had been let for some two years before its owner ever had or thought of having anything to do with the Canadian Pacific Railway. I think it is to be regretted that gentlemen of wealth cannot make benefactions to a worthy object, such as McGill College or an hospital, without mention being made of it in this House in the manner in which this has been referred to. The hon. gentleman next objects that the prairie section has cost more than any recent estimate; and the inference which he draws is that an excessive expenditure was made in its construction. What did it cost? It cost only \$17,000,000 for the whole 958 miles, or an average of less than \$18,000 per mile. I do not know whether an estimate of 1880 would be considered a recent one; but in his speech of 1880 the hon. gentleman estimated that this section of the road would cost \$42,000,000, as against \$17,000,000. The hon. gentleman also noticed a

discrepancy in the estimates of the cost of the railway. He referred to the official memorandum issued in December, 1882, by Mr. Stephen, the President of the Company, and to a letter from Mr. Stephen to the shareholders of the Grand Trunk Railway Company in 1883; and he commented at very great length upon the fact that the estimate of the cost made by Mr. Stephen in this official memorandum and open letter to the shareholders of the Grand Trunk Railway was largely in excess of what is now estimated would be necessary to build this railway. Of course, that was a matter of considerable importance; but it so happens, on examination of this official memorandum and this letter to the shareholders, that there was no estimate of cost in it at all. It was not given as an estimate of cost. It was simply a statement by Mr. Stephen of the amount of proprietary interest in the shape of stock that would own the completed line and the unused land grant. It was simply a statement that \$90,000,000 stock would own the completed line, and would own the unused land grant. The hon. gentleman also called attention to the fact that there was a discrepancy in the statement made by Mr. Drinkwater some months ago, and that in January last, as to the bonded debt of the Canadian Pacific Railway Company from Callander to Montreal. I am not in a position, at this moment, to answer the hon. gentleman on that point, but I have no doubt that some one else who will follow me will be able to do so. This much I have ascertained, that in the Railway Statistical Returns of the Canadian Pacific Railway Company, sworn to on the 11th January, 1884, by Mr. Drinkwater, the Secretary of the Canadian Pacific Railway Company, the following is set down as the debt:—Canada Central bonds assumed by the Company, first mortgage bonds, \$850,000; second mortgage bonds, \$973,333; and the amount due the Province of Quebec on the Purchase of the Quebec, Montreal, Ottawa and Occidental Railway, \$3,500,000; making a total of

\$5,323,333, as stated by the hon. Minister of Railways. A discrepancy was also noticed by the hon. gentleman in the return of lands sold by the Canadian Pacific Railway Company on the 30th June, 1883, and the present statement. The hon. gentleman himself explained the reason for that discrepancy. The reason was: that the Railway Company took back from the North-West Land Company 2,800,000 acres of land which had been previously sold. This was included in the return of June, 1883, but is not included in the statement now before the House. The hon. gentleman also commented on the fact that the Canadian Pacific Railway had expended a sum of money to sustain the stock of the North-West Land Company, thus giving an impression which is not founded on fact. I do not suppose he intended to do so, but the impression he conveyed was that the Company had gone on the market and had purchased shares to prevent the stock from falling. That is not the case. The Company never purchased a share directly or indirectly of stock in the North-West Land Company on the market. The amount put down, and which was mentioned by the hon. Minister of Railways the other night, is the original subscription of the Company at the time the prospectus was first issued. They never owned an additional share of the stock, they never purchased or sold one. So much for the hon. gentleman's criticisms of the Company. We now come to his criticisms of the Government. He comments upon the change of policy in the manner of paying the subsidy. He says he is happy to see that the Government have come to his views with regard to the correct method of paying the subsidy to the Company. There was excellent reason why the subsidy during the first years of construction should be paid out by the mileage rate. The reason is this: that in the first years of construction, it was necessary for the Company to purchase railway plant, railway material and rolling stock; it was necessary for them to make large expenditures which would apply

to the whole work, and it was necessary, therefore, to pay them more than the *pro rata* amount of the cost. But that time has gone by; they now have the plant and the rolling stock; and the Government, when the proper time has come to make the change—for, when the reason for the former state of things has ceased, the effect ceases also—the Government now change the policy, and adopt a policy which shall secure the completion of the railway, for the loan which it is now proposed should be made. In fact, it is a question of a practical and common sense policy, a practical and common sense Government, as opposed to a theoretical opposition. The next objection of the hon. gentleman, is that the progress of the North-West has been retarded by the so-called monopoly clause, and the disallowance of Manitoba Railway charters. I shall not take up the time of the House on this point, but I wish to observe that the only thing in which the country is interested is, that there should be reasonably low rates, that the business should be done by the Canadian Pacific Railway, and that the business should be held for the benefit of Canada. A sound National Policy applies as much to railway construction in the North-West as it applies to trade matters here. It is as necessary to have a National Policy in the matter of railway construction in the North-West as it is to have a National Policy in force for the benefit of the manufacturers and people of the Dominion of Canada. Sir, the older Provinces of Canada have been called upon to pledge their credit in large sums for the benefit of the people of the North-West, for the benefit of the immigrants who are going in there, and it is not too much to ask that such a policy should be pursued as will preserve to the manufacturers of old Canada the advantages of the market of the North-West. The hon. gentleman made a distinction between the railway constructed and owned by the Government and the railway constructed and owned by a company. Sir, there is no distinction

whatever. The same policy should be pursued as it would have been necessary to pursue if the Government had owned the road; and the moment that the line is completed, the moment that we are put fairly in connection with the people of the North-West, the moment that our merchants and manufacturers are given a fair chance with the manufacturers and merchants of the United States, then the time will come when this monopoly clause may be done away with, when the country may be opened to free railway construction and free railway competition. The hon. gentlemen had a good deal of sport over the idea that anybody, much less a Government, could have supposed that the taking of a certain amount of money and placing it in the hands of the Government would be of any advantage to the stock of the Company. His idea was this: that the amount of money necessary to secure the Government would be the same amount whether it was in the hands of the Government, or in the hands of the Company. Well, Sir, I cannot dispute that proposition; but I undertake to say that that money, in the hands of the Company, might possibly be expended in paying their floating debt, or in railway construction, and it would not very likely be reserved for the payment of a dividend for ten years to come; whereas, if it is placed in the hands of the Government, a 3 per cent. dividend is assured. If the hon. gentleman made a wager with me of \$1,000, I should not be any better able to pay that wager if I put the money into the hands of a third party than if I kept it in my pocket; but I do not hesitate to say that he would feel safer in regard to getting his bet if I placed it in the hands of another person than if I kept it in my own pocket. And the same principle applies to the setting aside of this money for the purpose of paying a dividend. The hon. gentleman also held that it was a mistake for the hon. Minister of Railways to reckon among the moneys furnished by the Company, the amount of their floating liability. Well, where should he have placed it? Should

he have placed it amongst the moneys furnished by the Government? The hon. Minister of Railways was giving an account of the moneys furnished by the Government, on the one hand, and the moneys furnished by the Railway Company on the other. He naturally did not put it down as having been furnished by the Government. Of course, the money has not been furnished in one sense, but it has been procured, it has been expended on the line, and, if the line fell into the hands of the Government, it would be as useful as any portion of the money that has been expended by the Company. What I mean to say, with respect to these floating liabilities and the right of the hon. Minister of Railways to reckon them as moneys furnished by the Company, is this: Suppose that liability existed to a man who had been constructing the railway in the North-West; the man continues to the last to be unpaid, but the railway falls into the hands of the Government. I ask if that is not as useful expenditure to the Government as any other expenditure that the Company could have made? So much for the hon. gentleman's criticisms of the Government. We now come to the reasons he urged why these Resolutions should not pass; for you will agree with me, Mr. Speaker, that the points which I have mentioned, which I have been trying to comment upon, are not reasons why these Resolutions should be rejected, or should be adopted. The hon. gentleman, however, said that he had his doubts whether twenty-seven millions of money would be sufficient to complete the road. He says, however, that, if twenty-seven millions of money would be sufficient to complete the road, we are asked to actually furnish all that would be necessary, because the balance of our cash subsidy and the loan will make up the amount. He also says that, if the amount is not sufficient, we shall see the Company back asking for more money. Now, if the \$27,000,000 is sufficient, it will complete the railway, and it is not a reason why we should not adopt the Reso-

lutions that it is not sufficient. It is a reason why we should increase it, or, if the amount is too great, it is a reason why we should diminish it; and the fact that we are furnishing nearly all the money that will be expended to complete the road, according to this estimate, is no reason why the Resolutions should not be adopted. What should we do? We are taking over into our hands the control of all the assets of the Company; we are depriving them almost entirely of the power of raising money, and surely, doing that, we are bound to make a loan adequate to the completion of the railway. The hon. gentleman told us a great deal, but there were two or three things he did not tell us, and which it was important he should tell us. He did not tell us he would like to see the work suspended upon this line, nor did he tell us of any other or better way of providing the money to continue the operations. If the hon. gentleman could satisfy us that it is better to suspend operations, or could show us some other or better way of providing the money, he would have adduced an argument which would have very great effect upon my mind, at any rate, and I believe on the minds of all the hon. members in this House. That is the important question. It is still time for some honorable member on my right to show us a better way of providing the means of completing this railway. If they can do so, it will not be necessary to use the influences of the lobby, which the *Globe* referred to in its issue of yesterday, and it will not be necessary to take the measures that these Resolutions shall pass and not be lost that the hon. member for West Durham hinted the hon. Minister of Railways had taken. Sir, the hon. gentleman's criticism of the speech of the hon. Minister of Railways amounts to this: the hon. Minister of Railways asserts that the work upon this line should not be suspended, and that this is the only feasible means of procuring the money to go on with it. The hon. gentleman answers to that: the road has been built through poor land; it might have been built through better land. The hon. Minister of

Railways repeats that this road must be built; that it will not do to suspend operations upon it; and that this is the only way of procuring the money. The hon. member answers that there has been too large an issue of capital stock. The hon. Minister of Railways repeats the same assertion over and over again; and the answer of the hon. member is: that the Company have been building lordly palaces and making princely benefactions. That is the style of the answer which the hon. member who last addressed the House made to the propositions of the hon. Minister of Railways which are submitted for our consideration. Sir, in conclusion, what is the duty of the House in respect to this important matter? We should bear in mind that we are laying the foundation of an empire. We should bear in mind that the one great object for which we are sitting here is to advance the interests of the country. We should bear in mind that the North-West is the portion of country which we are to look to for development and growth. We should bear in mind that it is essential, and a national necessity, that that road should be built, and that the country should be populated. And, Sir, we should ask ourselves this question: Do we desire to see a suspension for six years of the progress of that work and the progress of the country? If we do not, is there any other or better way of procuring the money than the way proposed by the hon. Minister of Railways? If there is not, if the credit of Canada is sufficient to procure this money at a reasonable rate of interest, and if it is necessary to complete the road, then by all means let us complete it. Let us not put our hands to the plough and then turn back. Sir, in 1880, in addressing this House I ventured to express the hope that our great and respected chief would live to see the completion of that great enterprise. Since that day he has lived slower and the work has been progressing faster than I expected; and I think I may express the hope that he may not only live to see the railway built, but that when he leaves us his deepest mourners will be a million of happy, prosperous and grateful people settled in this North-West.

